

MID- YEAR REPORT

2013 / 2014

To: Council

In accordance with section 54 (1) (f), of the Local Government: Municipal Finance Management Act No. 56 of 2003 (the “MFMA”), as the Mayor I am required to submit the Mid-year report to Council by 31st January of each year.

Section 54 of the MFMA requires the Mayor to take certain actions on receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (the “SDBIP”).

The information contained in this report has been reviewed and it is evident that adjustments to the capital and operating budgets will be necessary. When an adjustment budget is adopted, the SDBIP will need to be reviewed and adjusted and be publicised.

M.A Shasha
Mayor

22 January 2014

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1 INTRODUCTION

1.1 In terms of Section 72. (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA), the accounting officer of a municipality must by 25 January of each year-

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) The monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities (*excluded in this report*); and
 - (v) submit a report on such assessment to-
 - The Mayor of the Municipality;
 - The National Treasury; and
 - The relevant provincial treasury.

1.2 Thereafter, the Mayor must, in terms of Section 54. (1)-

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) That spending of funds and revenue collection proceed in accordance with the budget;

(e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) Submit the report to the council by 31 January of each year.

1.3 With the concurrence of the Chief Financial Officer, it was agreed that

(a) The Finance Department would submit a report complying with the financial requirements and dealing with the Adjustment Budget and;

(b) The Office of the Municipal Manager, IDP & Performance Management section would compile a report on the performance assessment of service delivery and related matters. Accordingly; this report addresses the first part i.e. (a); the second aspect will also be included with only matters related to the recommendations of compiling an adjustment budget.

2. SERVICE DELIVERY REPORTS

2.1 TECHNICAL SERVICES

2.1.1 INTRODUCTION

In terms of the Municipal Organogram the Technical Services Department has been structured to include the following divisions:

- Project Management Unit

The PMU unit was established in March 2009 and its functions are to oversee the implementation of all MIG projects, but this functions have however have been extended to management of all Infrastructural projects within the Municipality.

- Drinking Water Services

The Municipality received an **86.36%** in the 2011/12 financial year, which is a **6.36%** increase from the 2010/11 towards the Blue drop status. With that achievement the municipality has set its target for a full percentage on the Blue Drop for this current year.

The Mid-year Blue Drop Status is shown under Operational Programmes on page 15

- Sanitation Services

The Municipality achieved only **47%** on the assessment of the 2010/11 financial year. In the 2011/12 financial year, the municipality achieved a score of 82.22%, which is over 50% year-on year increase.

The Mid-year Green Drop Status is shown under Operational Programmes on page 17.

- Roads and Storm Water Division

The Municipality was unable to perform well in first six months of the financial year in its roads and storm water division due to lack of fleet and roads maintenance machineries. This can be noticed by the bad state of the Municipal internal roads which have been greatly affected by erosion as the result of the uncontrolled storm water.

- Electricity

Although provision has been made for establishment of the electricity division in the Municipal organogram but its functions are limited to internal operational work (e.g. operation and maintenance of water and waste water treatment works) as this service has been outsourced to CENTLEC.

2.1.2 MUNICIPAL INFRASTRUCTURAL GRANT STATUS REPORT

BACKGROUND

The Municipality has been allocated with **R17 887 000.00** for implementation of MIG projects within the current financial year (2013/2014). From this allocation an amount totaling **R15 772 000.00** was transferred to the Municipal account in December 2013. Below is a breakdown of transfer against expenditure to date:

Project Description	MIG Value	Expenditure to Date	Status of the Project	Planned Completion
Mohokare PMU 12/13	R 894, 350.00	R 126 293.90	Functional	N/A
Mohokare: Upgrading of the Caledon Water Scheme to Smithfield	R 9, 470, 550.00	R 9, 0470, 550.00	Only one additional pump is outstanding	31 December 2013
Upgrading of the Zastron Sewerage Treatment Works	R 14, 170, 851.00	R 11, 124, 63066	Mechanical and Electrical works is outstanding	31 June 2013
Smithfield: Upgrading of the oxidation Ponds	R 20, 298, 770.32	R 20, 085, 076.79	Project is completed	30 June 2013 Completed 13 th December 2013
BEP, Phase 1 for 777 sites in Roleleathunya, Rouxville (Sewer Networks)	R 11, 378, 000.00	R 4, 325, 002.39	Awaiting completion of RBWS project	30 March 2013
Zastron: Installation of High Mast Lights in Refengkgotso	R 4, 225, 871.20	R 4, 046, 271.67	16 high mast lights and 66 street lights were installed and are functional	31 October 2013
Upgrading of internal Streets in Matlakeng (2.9km)	R 12, 884, 003.29	R 222, 300.00	Currently at tender stage for the appointment of the contractor	30 November 2014
Upgrading of Roleleathunya Sports Ground	R 2, 832, 600.00	R 2, 750, 720.08	Project completed but awaiting Eskom to install new electric board for irrigation	30 June 2013 30 October 2013 (Eskom)
Roleleathunya/Rouxville Access Collectors, Internal Streets & Related Storm water (4.14 km), Phase 1	R 52, 910, 678.00	R 12, 883,964.18	Contractual Work Completed	Completed

Upgrading of Zastron/Matlakeng Sports Grounds	R 2, 683, 050.00	R 334, 412.30	Will commence as soon as the contractor has met the contractual obligations	13 May 2014
Rouxville Regional Bulk Water Scheme	R 63, 000, 000.00	R 8 , 444, 350.78	76% completion	March 2014

Annual Allocation	Amount Transferred	Expenditure by end Dec 2013	Balance on transfers by end Dec 2013	Expenditure on Allocation in %
R 17 887 000.00	R 15 772 000.00	R 7 333 610.68	R 8 438 389.32	41 %

ACTUAL EXPENDITURE PER MONTH V/S PROVINCIAL TARGETS

	July	August	September	October	November	December
Expenditure (R)	512 742.75	1 867 863.40	677 389.40	2 707 555.77	1 578 008.65	62 418.81
Accumulative (R)	512 742.75	2 380 606.15	3 057 995.15	5 765 551.21	7 343 559.86	7 405 978.67
Actual Exp in %	3%	13%	17%	32%	41%	41%
Provincial target	6%	12%	20%	30%	40%	44%

DISCUSSION

The Municipality reached its provincial expenditure targets for the month of October and November, however could not meet the target for the month of December. The Municipality failed to reach a provincial target of 44% by end of December due to the following reasons:

1. There were no projects at the execution stage but there were projects at Design and Tender stage
2. The Contractors closed early for the builders/construction December holiday which made December the inactive month for the construction industry

FINANCIAL IMPLICATIONS

The Municipality will have to incorporate the expenditure intended for the month of December 2013 by the end of January 2014. This will ensure that the Municipality is on track in terms of the expenditure targets.

LEGAL IMPLICATIONS

COGTA might withhold the MIG funds in future should the under expenditure persist

PMU OVERVIEW

The PMU is three percent below the provincial target for the month of December and this has been planned to be spend by the end of January 2014

2.1.3 UPGRADING OF THE CALEDON WATER SCHEME PHASE 2A

BACKGROUND

The project was registered under MIG in January 2006 with a total cost of **R 9,470,550.00** by Phethogo Consulting Engineers which was appointed for the entire scope of works, and it consisted of the following works:

1. Construction of the reservoir and rising main :phase 2A (1)
2. Construction and extension of the water treatment works :phase 2A (2)
3. Installation of the Mechanical and Electrical components :phase 2A (3)

Phase 1 was completed in 2009 by Jens Development sub-contracting under Rekaofela construction. Phase 2A civil works was completed in April 2011 by Set-Mak Civils where upon the project was put on hold due to budget constraints. The Municipality was then advised to go out on tender in order to apply for budget maintenance for the completion of the Mechanical and Electrical works. The contractor was appointed on the 18th of January 2013 and a site hand-over was conducted on the 4th of March 2013.

DISCUSSION

The Contractor (Swan Water Treatment) completed the installation of all mechanical works and completed electrical connections. A water tight test was conducted on the settling tank and the sand filter, leakages on both works were observed and the civil contractor resumed with the repairs as of 19th of September 2013 and the works was completed the same month.

Physical completion of the treatment plant was scheduled for end of October 2013 and at these stage two additional pumps is outstanding which was supposed to have been installed and completed in December 2013. The pumps will now be installed before end of January 2014.

PMU OVERVIEW

The installation of the new additional pump together with the recently completed upgrade of the Caledon Water Scheme will resolve the shortage of water encountered by a number of residents living in the greater Mofulatshepe area.

2.1.4 ZASTRON WASTE WATER TREATMENT WORKS

BACKGROUND

The project was registered under the MIG in October 2005 with a total cost of **R 5,700, 000.00** by Isa and Partners Consulting Engineers which was appointed to provide Professional Services on the project. In 2009/10 financial year the Municipality submitted a budget maintenance report requesting additional funding where the budget was approved to a total amount of **R 14 million. Ngelethu Construction** was appointed in 2012 taking over work which was previously assigned to **Colemo projects**, which (Colemo) failed to deliver and the contract was terminated.

DISCUSSION

Civil works

All the civil works has been completed including the roof slabs which needed to be placed on the pump-station, this was indicated as outstanding in the previous quarterly report.

Mechanical and Electrical works

A budget maintenance report was submitted to the Provincial Project Management Unit (PPMU) and the Municipality is still awaiting its approval.

FINANCIAL IMPLICATIONS

R 8 731, 745.26 additional funding required.

PMU OVERVIEW

The Civil work is complete in this project and only the Mechanical and Electrical work is still outstanding, this is due to the delay in the budget maintenance approval by CoGTA. The completion of this project will assist with the improvement of the sewage effluent discharged to the stream leading to Montagu.

2.1.5 UPGRADING OF THE OXIDATION PONDS IN SMITHFIELD

BACKGROUND

Project budget

The project was registered under the MIG in October 2005 with a total cost of **R 6,840, 000.00** by Isa and Partners Consulting Engineers which was appointed to provide Professional Services on the project. In 2009/10 financial year the Municipality submitted a budget maintenance report requesting additional funding were the budget was approved to a total amount of **R 14, 635,735.00**.

The Municipality went out on tender in May 2012 for appointment of a contractor for installation of mechanical and electrical components; the bids prices came higher than budgeted for and this meant that the Municipality will need to apply for additional funding.

Big Bravo Construction was appointed as the contractor to construct the civil works with a total cost exceeding the registration value and the works have been completed.

DISCUSSION

The project was planned to be completed by end of June 2013, however there were a number of delays encountered by the contractor in the supply and installation of the electricity transformer by CENTLEC.

The contractor came on site in August to commence with the mechanical works and completed the works in mid-September 2013. The electrical works resumed towards the end of September as it had to wait for installation of the transformer; the works was then completed by the 13th of December 2013

PMU OVERVIEW

The project was not completed in time and has therefore resulted in under spending on the MIG funds for the month of October 2013. However the project has been completed and a trial commissioning of the project took place on the 13th of December 2013.

2.1.6 INSTALLATION OF 16 HIGH MAST LIGHTS IN REFENGKHOTSO

BACKGROUND

The project was registered under the MIG in the second quarter of the financial year for a total project value of **R 4 225, 871.20**. The project is intended to install 16 high mast lights in Refengkhotsa and Phomolong, and to further install street lights along the S2 Makhalleng road.

DISCUSSION

The Municipality appointed Centlec to implement this project on its behalf, and the appointment is guided by the Service Delivery Agreement which the Municipality had with Centlec.

A site hand-over meeting with Centlec was conducted on the 4th of April 2013 where a Sub-contractor (**Ikageng**) for installation of the high mast light was handed the site. The contractor for installation of the street lights commenced with the works on the 29th of April 2013.

Progress to date:

- All sixteen high mast lights were completed and are functional
- All sixty six street lights were installed and are functional except for few poles which were tempered with.
- The project was completed within the specified time

PMU OVERVIEW

The project was completed on time and all the High Mast Lights and streets lights are functional and the project is currently at retention stage.

2.1.7 UPGRADING OF THE ROLELEATHUNYA SPORTS GROUNDS

BACKGROUND

As per DORA requirements, municipalities should allocate 15% of their annual allocation to sports and recreation facilities. Of our 2012/13 allocation of R18, 840,000.00 we are expected to allocated approximately R2, 826,000.00 to ensure that we upgrade, refurbish or construct new sports facilities for the betterment of our locality.

DISCUSSION

The project has been completed and the contractor is awaiting the installation of a new electric board by Eskom for operation of the irrigation water pump. Eskom came on site for site inspection and measurement and installation was expected to be done before end of October 2013 but no progress to date, the PMU is making a follow up on the matter.

PMU OVERVIEW

The project was completed in time; however the Site hand-over to the Client has not been done due to the delays in the installation of electricity by Eskom.

2.1.8 UPGRADING OF THE ZASTRON SPORTS GROUNDS

BACKGROUND

As per DORA requirements, municipalities should allocate 15% of their annual allocation to sports and recreation facilities. On the Municipal 2013/14 allocation of R17, 887,000 Council has budget a minimum of R2, 683,050.00 to the upgrading of the Matlakeng Sports facility.

DISCUSSION

The Municipality appointed **Siqu Consulting Engineers** to act as project managers. A tender notice was published for contractors with a CIDB grading of **3 CE, 4 GB or higher**, a site inspection was conducted on **22 October 2013** and the tender closed on the **5th of November 2013**.

A contractor was appointed in December 2013 and is expected to establish site by mid-January 2014 and the project is expected to be completed by end of May 2014.

PMU OVERVIEW

The contractor has been appointed and the work shall commence as soon as the contractual obligations has been met by the contractor. This project will also assist the Municipality in terms of the expenditure within the third quarter of the financial year.

2.1.9 ROUXVILLE REGIONAL BULK WATER SCHEME

BACKGROUND

The total budget for the scheme was approved to an amount of **R 63 million** allocated over a three year period. The scope of works includes the following:

1. Upgrading of the water treatment plant
2. Construction of a 24 km pipeline with 2 booster pump station
3. Construction of Desilting dam
4. Construction of a balancing dam

Ngelethu construction was appointed as a contractor for the civil works, with Swan and Electro Durban been appointed for mechanical and electrical works respectively.

DISCUSSION

The Municipality signed a funding agreement with the department on the third 3rd of May to a total amount of **R 23 Million** for the current financial year. To date expenditure stand at **57%** (R 8, 444,350.78) taking into account the recent submitted claims.

Progress on the civil works is as follows:

Description	Progress %
1. Construction of a 4.8km long, 315 mm dia rising main pipeline (14 Air & Scour valve chambers under construction)	100 %
2. Boreholes buildings and installations (110 & 160 mm dia pipelines completed, buildings in progress)	75 %
3. Water Treatment Works (all foundation are complete and the contractor is busy with concrete and brick works)	65 %
4. Materials supply (steel specials, reinforcing steel, etc)	97 %

The last progress meeting held on site with all the stakeholders, it was noticed that the main (Civil Contractor) is struggling with the work on site, this is evidenced by the number of extensions of time requested by the contractor which were approved by the Client.

FINANCIAL IMPLICATIONS

The funder (Department of Water Affairs) has withheld some of the funds due to non-expenditure.

PMU OVERVIEW

The civil works contract exceeded its contractual period by more than 10 months due to various delays from both the Consultant and the contractor. The Municipality intervened by entering into a payment

session for purchasing of material to assist the contractors in his cash flow challenges but not much has improved with the progress. The project is currently at about 76 % completion stage.

2.1.10 MUNICIPAL WATER INFRASTRUCTURE GRANT

BACKGROUND

Mohokare Local Municipality has been identified as one the beneficiary Municipality for the above mentioned grant. The Municipality has been allocated with about R 1 Million rand funding for the current departmental financial year. MWIG is a conditional grant, among other conditions the Municipality is compelled to utilize the services of Bloem Water as a water boards within the area.

DISCUSSION

A meeting with the department of water affairs and water boards was held on the 24th of May 2013 where upon business plans were submitted and approved. A funding agreement between the Municipality and the department were signed and a second agreement between the Municipality, Bloem Water and the department were also signed. To date there has not been any physical progress on the project as most of the work on the project should be done by Bloem Water. The Municipality has submitted a written request for intervention by DWA on the programme.

The Municipality together with the Water Boards held a meeting on Friday the 27th of September 2013 aiming in resolving some of the challenges in the implementation of this project.

PMU OVERVIEW

The Municipality has not yet spent its allocated funding due to lack of cooperation from Bloem Water as the implementing agent. The matter was referred to the department of water Affairs for its intervention.

2.1.11 WATER MANAGEMENT /BLUE DROP STATUS

BACKGROUND

Mohokare Local Municipality operates both as a water services authority and water services provider. It therefore has an obligation to abstract, store, purify and supply clean drinking water to all three towns within its area of jurisdiction.

In order to meet this requirement the following measurement are utilised to analyse whether or not such objective is met.

FOCUS AREA	MEASUREMENT PARAMETERS
Quantity/volume of water supplied	Meter reading taken at the inlet and outlet of each of the three water treatment works
Quality of the water	Two water samples per area are taken and analysed every month, analysis is done between the following parameters. pH, Electrical Conductivity, Turbidity, Free Available Chlorine, Aluminium, Total hardness, E.coli, Total Coliforms
Management	Blue drop status

DISCUSSION

Quantity/ Volume of water supplied

The readings for the three towns for the past six months were as indicated in the table below:

	July	August	September	October	November	December	TOTAL
Zastron	62 500	72 210	59 930	94 150	94 210	85 198	468 198
Rouxville	44 800	43 010	41 190	68 250	67 150	37 220	301 620
Smithfield	44 910	44 910	57 340	62 730	63 238	54 720	327 128
TOTAL	152 210	160 130	158 460	225 130	224 598	177 138	1096946

Accumulative total for the three towns:

Month	Expected volume	Actual volume	Efficiency
July	267 840	152 210	57%
August	267 840	160 130	60%
September	267 840	158 460	59%
October	267 840	225 130	84%

November	267 840	224 598	84%
December	267 840	177 138	66%
TOTAL	1 607 040	1 097 666	69%

Graph 1.1 Water supplied per quarter

Quality of the water

Below table indicates the number of samples taken:

	July	August	September	October	November	December
ZASTRON						
Physical	100%	100%	100%	100%	100 %	100 %
Chemical	85%	80%	85%	100 %	100 %	100 %
Micro-biological	93.3%	100%	100%	85 %	100 %	50 %
ROUXVILLE						
Physical	100%	100%	100%	100%	100 %	100 %
Chemical	90%	90%	90%	100 %	100 %	100 %
Micro-biological	93.3%	93%	95%	90 %	96.5 %	60 %
SMITHFIELD						
Physical	100%	100%	100%	100%	100 %	100 %
Chemical	100 %	90%	90%	100 %	100 %	100 %
Micro-biological	95 %	100%	100%	95 %	96.5 %	60 %

DEPARTEMENTAL OVERVIEW

The Municipality will be able to improve its Blue drop status and water management system once all areas of need as identified/outlined in the MISA support programme has been rolled out.

Measures to reduce unaccounted water have not been fully implemented and this can have a huge financial boost to the Municipality.

2.1.12 WASTE WATER MANAGEMENT /GREEN DROP STATUS

BACKGROUND

Mohokare Local Municipality operates both as a water services authority and water services provider. It therefore has an obligation to collect, distribute and discharge waste water effluent to the environment in a safe and healthy manner. In order to meet this requirement the following measurement are utilised to analyse whether or not such objective is met.

FOCUS AREA	MEASUREMENT PARAMETERS
Quantity/volume of water supplied	Meter reading taken at the inlet and outlet of each of the three water treatment works
Quality of the water	Two water samples per area are taken and analysed every month, analysis is done between the following parameters. pH, Electrical Conductivity, Turbidity, Free Available Chlorine, Aluminium, Total hardness, E.coli, Total Coliforms
Management	Green drop status

DISCUSSION

Quantity/ Volume of water supplied

The readings for the three towns for the past six months could not be recorded as the department was awaiting delivery of the meters. Waste water meters have now been installed in Zastron and Rouxville.

Quality of the water

Below table indicates the laboratory results per area per month:

	July	August	September	October	November	December
ZASTRON						
Physical	100%	100%	100%	100%	100 %	100 %
Micro-biological	75 %	75 %	75 %	75 %	75 %	75 %
ROUXVILLE						
Physical	100%	100 %	100 %	100%	100 %	100 %
Micro-biological	100 %	100 %	100 %	100 %	100 %	100 %
SMITHFIELD						
Physical	100%	100 %	100 %	100%	100 %	100 %
Micro-biological	100 %	75 %	75 %	100 %	75 %	75 %

DEPARTMENTAL OVERVIEW

Completion of the waste water treatment plant in Smithfield will greatly assist in the improvement of the quality of the effluent discharged at the waste water treatment works, the plant was commissioned in December and is expected to be in full operation by January 2014. The Zastron waste water treatment plant effluent remains a challenge as it poses a risk to the drinking water source, the Municipality is awaiting the approval of the budget maintenance report by CoGTA.

2.1.13 ROADS AND STORM WATER MANAGEMENT

The Municipality has a responsibility to create and maintain its own road infrastructure to an expectable level for usage by both pedestrians and vehicles. The National and Provincial roads running through the Municipal towns remain the responsibility of the respective departments.

DISCUSSION

The following works was performed during the first half of the financial year:

ZASTRON	July	August	September	October	November	December	TOTAL
Pot-holes (m2)	3	0	0	3	0	0	6
Blading (km)	0	4	2	0	4	2	12
Storm-water (km)	1.3	0.8	1.3	1.3	0.8	1.3	6.8
ROUXVILLE							
Pot-holes (m2)	0	0	0	0	0	0	0
Blading (km)	0	0	0	0	0	0	0
Storm-water (km)	0.7	0.9	1	0.7	0.9	1	5.2
SMITHFIELD							
Pot-holes (m2)	5	7	0	5	7	0	24
Blading (km)	0	0	0	0	0	0	0
Storm-water (km)	2	1.9	1.6	2	1.9	1.6	5.5

DEPARTMENTAL OVERVIEW

Lack of yellow fleet still remains a challenge in the maintenance of gravel roads as there is only one TLB and a small Grader. The roads division failed to maintain its consistency in patching of the pot-holes due to weather conditions (the weather was too cold to work the tar). The division will now be focusing on the road marking and pot-holes this coming season. Storm water projects were fast-tracked by utilising the EPWP part time workers.

2.1.14 ELECTRICITY SUPPLY DIVISION

PURPOSE

To report on the performance of the electricity supply division within the Infrastructure and Technical Services department.

BACKGROUND

The main functions of this division has been outsource to external service provider since the year 2002. The initial contract was entered between the Municipality and Mangaung Municipality through its entity CENTLEC. The rights to the contract were later transfer to CENTLEC in 2007. Some of the contract inheritance was a loan that was issued to the Municipality which is currently been repaid on an annual basis.

DISCUSSION

The department could not report on the below mentioned as CENTLEC has not submitted any report for the past three months:

- Corrective Maintenance and Preventative Maintenance
- Connections and electrification projects, meter shifting, meter inspections and disconnections
- Street lights maintenance, meter reading and general complaints
- The Municipality did not apply for INEP funding due to none availability of information on backlog.

DEPARTMENTAL OVERVIEW

The department took an initiative to request information through office of the Mayor and it has now identified a number of households in need of electricity, business plans will be submitted for funding in the next financial year allocation.

2.2 COMMUNITY SERVICES

2.2.1 INTRODUCTION

The reports hereunder, is intended to give a preview of work, projects and activities done since the start of 2013/14 financial year to December 2013 from within the Municipal initiatives and Sector departments hands on support to further the delivery of services unto the Community in Mohokare Local Municipality.

2.2.2. HUMAN SETTLEMENTS

2.2.2.1 REPORT ON 2010/2011 RDP HOUSING SUBSIDY SCHEME

DIVISION OVERVIEW

The division is specifically responsible for the facilitation of the construction of government housing subsidy schemes, repairs and maintenance of Council properties and any other activities that ensure the fixed assets of municipality are properly utilized and managed inclusive of the land related issues.

BACKGROUND

Pursuant to Provincial budget and allocation of RDP Houses within the Free State, all Municipalities are obliged to provide the Department of Human Settlements with their annual backlog with regard to RDP Housing allocations for each financial year.

PURPOSE

The report reflects on the progress of the housing project within the Municipality from the last allocation of the specific year to date

DISCUSSION

RDP HOUSING SUBSIDY PROJECTS SINCE JULY TO DECEMBER 2013

List No.	Project Name	Area / Town	Allocation	Project period	Comments	Status
1.	Construction of Low Cost Housing (RDP)	Smithfield	100 (Hundred) housing units	1 (one) year; 2010/2011 financial year	The projects were incomplete and funded under 2012/14 financial years by Provincial CoGTA. Project status reports available within Community Services for inspection	97 houses are complete and 7 are outstanding
		Rouxville	100 (Hundred) housing units	1 (one) year; 2010/2011 financial year		Project completed and closed off
		Zastron	100 (Hundred) housing units	1 (one) year; 2010/2011 financial year		Project completed and closed off
		Zastron	100 (Hundred) housing units	1 (one) year; 2010/2011 financial year		69 houses are complete and 31 are outstanding

2.2.2. HUMAN SETTLEMENTS

2.2.2.2 PROJECTS PIPELINE

Overview

This is a Provincial programme intended to address challenges regarding service delivery on all Municipalities. Every need or demand from each municipality must be captured herein if the Municipality intends to have their problems addressed in the coming year (2014/15).

BACKGROUND

The Housing Development Agency (HDA), is government agency under Provincial CoGTA aimed at identifying the needy municipality, lobby funds from national government and facilitate developments on areas of need in qualifying municipalities

POINT OF DISCUSSION

To date attached list of projects has been submitted to the Province immediately after extensive training and consultations with Municipalities for future funding. Through this programmes, the municipality will be able to meet some of Community needs starting from issuing of sites, formalization of informal settlements, eradication of buckets etc...

Comments;

The follow up`s are been made to get the report on developments made to date.

2.2.2.3 REPAIRS AND MAINTENANCE OF COUNCIL PROPERTIES

BACKGROUND

The division Human Settlements under the department of Community Services is assigned with responsibilities of making a point that offices and rental houses of the municipality are maintained regularly to avoid unnecessary devalue of the properties and provide safe and secure shelter for the Tenants and the Community through services received from Municipality

DISCUSSION

To give hereunder, the report on repairs and maintenance on Council buildings undertaken until December 2013

List No.	Project Name	Area/Town	Project Value	Comments	Project Status
1.	Fencing of Cemetery	Rouxville	±R10, 000.00	None	Project completed
2.	Construction of a Guardhouse at the landfill site	Rouxville		Roleleathunya local Contractor has voluntarily partnered with the Municipality to build the house	Project on construction phase.
3.	Fencing with a devil forks and installation of a motor gate at Municipal flats in Majozi street	Zastron		None	The project is at 95% completion stage
4.	Fencing with a devil forks and installation of a motor gate at Municipal flats in Vechtkop street	Zastron			Project is at 75% completion stage
5.	Repairs and Maintenance of a steel gate at water treatment works	Smithfield			Project completed
6.	Repairs and Maintenance of a devil fork gate at Sports and Recreation Hall	Smithfield			Project completed

2.2.2.4 ALLOCATION OF SITES IN ROUXVILLE

OVERVIEW

As much as the municipality runs its financials, there are some of the projects of functions that fall outside their ambit. Funding and surveying of land for developmental use is the competence of the Provincial CoGTA. From the records in Municipal possession, the sites for either purposes was last issued in 1997/2000 financial years in Rouxville. Given the growing population, it became evident that the Municipality has to derive some means in that regard despite recent approval of acquisition of Paisley Dam through the Province to provide water unto the Community.

BACKGROUND

In Rouxville, the municipality was confronted by the Community in one of the Ward meetings. The concerns that came from them were mostly around issuing of sites for residential purposes. The concern became a matter for discussion until the Community began to organize the march in order for them to present their memorandum of concerns. Since then the matter was prioritized and assistance sought from the Province hence the ongoing verification that is still in progress even to date.

POINT OF DISCUSSION

From the month of October/November 2013, the Municipality prepared documents from the Ward offices in Rouxville in order to start capturing the identified beneficiaries from both Wards into a register wherein the sites will be recorded for individual community members. The processes unfolded immediately after massive Ward consultations and to date, the work is this in progress.

COMMENTS

The list is still a work in progress, once completed it will be tabled to Council and there will be a communication with the Community on this matter as agreed.

2.2.3. SOLID WASTE MANAGEMENT (REFUSE REMOVAL)

2.2.3.1. REFUSE REMOVAL

Overview

The division mainly deals or addresses the removal of refuse or waste on its solid and hard state only and as per municipal programmes and tariffs known to the Community. Enough human resource capital is in place to execute such though the shortage and the constant repairs and maintenance of the vehicles poses a challenges to adhere to planned programmes aimed to guide the daily operations hence the Municipality has resorted to massive cleaning campaigns as and when the Council determines appropriate times during the year to minimally remove the illegal dumps and cleanliness of the landfill sites. In its possession, the Municipality has the below vehicles to address the removal of refuse;

1. One (1) compactor truck,
2. Two (2) Bell Tractors with tipper trailers,
3. One (1) tractor and a tipper trailer and
4. Three (3) red tractors with their tipper trailers and the fourth tractor with a front end loader.

2.2.3.2. MUNICIPAL EXPANDED PUBLIC WORKS PROGRAMME

OVERVIEW

The Municipality was allocated with R 1 million as part of the incentive grant for implementation of Labour intensive programmes which has the primary objective of creating employment opportunities for the financial year ended in June 2013 and further advanced the employment of its community by escalating the opportunities from 40 (forty) to 220 (two hundred and twenty) starting from September 2013 to **August/September** 2014 with an estimated budget of **R2, 440.000 million** from which the Municipality will fund the projects and through processes, claim from the programme.

POINT FOR DISCUSSION

Below mentioned, is the table that specifically shows allocations of work opportunities per town against the overall number that was initial

Project	Allocation per project per Town			Employment opportunities	Expenditure to date
	Smithfield	Rouxville	Zastron		
Working on Cemeteries	10	13	20	43	R699, 353.00
Working on landfills	9	13	20	42	
Working on Parks	8	14	19	41	
Working on Storm Water	9	13	15	37	
Cleaning and Greening	9	14	23	46	
Total number of employment opportunities made and expenditure incurred				209	R699, 353.00

COMMENTS

The programmes for the removal of refuse (solid waste), is available upon request at the Municipal offices in each and every town. These programmes are been implemented on weekly basis throughout of the three (3) towns with the aim to address the need for on provision of basic services

Apart from the above, the Municipality the Municipality took the initiative on EPWP Projects and out of 220 (two hundred and twenty) working opportunities planned, eleven (11) of them are vacant and that is been attended in order to meet planned work. To verify the aforementioned information, contracts and or attendance registers are available within the department of Cooperate Services.

2.2.4. COMMONAGE MANAGEMENT

2.2.4.1. MUNICIPAL LIVESTOCK

OVERVIEW

Commonage management is a division responsible for municipal agricultural land, community and municipal owned livestock.

BACKGROUND

The report reflects on municipal land for grazing (commonages) and the crop farming particularly for cooperatives, municipal livestock and its management and further facilitates applications for brand marking of the community livestock and management of municipal livestock and related processes in partnership with Stakeholders like Land Care Committees and Commonage Management Committees.

DISCUSSION

Below mentioned, is the report of the current status of the municipal cattle's recorded

Date/ Datum	Balance/Einde	Break Down of Balance/Ontleding van Eindbalans				Total	Signature of responsible Official
		Bulls	Cattles/Koeie	Calves/ Kalwers	Horses/Perde		
31/12/13	117	28	62	16	11	117	LAM. Mbangula

COMMENTS

At a time and a date still to be determined by the Council, the Livestock will be sold through internal processes and such will be communicated to the Community

2.2.4.2. SALE OF MUNICIPAL BLESBOKS

OVERVIEW

The Municipality has in its possession both the cattle's and Blesboks as its biological assets. The Management and administration of both, is within the Community Services department and LED (Local Economic Development). Since the inauguration of this Council, it's only recently that sale of such has been undertaken as mentioned below.

BACKGROUND

Since the establishment of Mohokare Local Municipality in 2000, there are Blesboks grazing on the municipal land just outside Smithfield. The number of the bucks now has increased dramatically as no formal hunting was allowed for several years.

The Auditor-General at one point of time also queried the bucks as the municipality could not account for specific numbers for reason that it is roaming animals and the camp is not properly fenced in line with game farming specifications.

The municipality has reached the point where Council has to resolve on the future of the Blesboks in order to decrease the numbers with the aim to avoid further overgrazing of the camp and inbreeding as the number of rams was roughly counted to an estimate of 74 out of a ± 180 bucks.

In order to test the market, the municipality requested quotations through advertisement on the notice boards and website for 7 (seven) days. Ngelethu Construction was appointed as a preferred bidder for the disposal of 120 bles bucks and amount equal to R 71 820.00 was received out the sale of the livestock

COMMENTS

The Municipality intend to conduct the auctioning on annual basis as this will assist in both economic spin offs and minimal land use around the overgrazing or overstocking of animals. Further thereto, to promote game hunting and even to turn these into tourism attraction

2.2.4.3. COMMONAGE SERVICE LEVEL AGREEMENT

BACKGROUND

The Department of Agriculture, through its consultative processes with the Municipality undertook to assist both the Commonage farmers and Municipality by establishing the Handling facility in Zastron and the feedlot in Rouxville. To date, the facilities are been used free of charge like the Commonage camps and they are gradually been vandalized and the camps overgrazed.

POINT OF DISCUSSION

The agreement has been made known and is still going to be further consulted on for future implementation that will soon be determined in order to properly administer the use of the facilities and the grazing fields of the Municipality in a proper manner.

Comments;

The Municipality has had consultation on farming (particularly on commonages), but intends to further consult as the Commonage Management Plan has to be in place.

2.2.4.4. REGISTRATION OF COMMONAGE FARMERS

OVERVIEW

Commonage management is a division responsible for municipal agricultural land, community and municipal owned livestock.

BACKGROUND

The report reflects on municipal land for grazing (commonages) and the crop farming particularly for cooperatives, municipal livestock and its management and further facilitates applications for brand marking of the community livestock.

DISCUSSION

All the applications received for grazing on municipal land and those that are on the commonage without grazing permits, are accordingly registered under this section of the unit. Amongst the audit conducted in Mohokare, Zastron tops the number due to grazing demand and need.

COMMENTS

We had to mention that though audit has been conducted, much is left to be desired as some of the farmers are reluctant to come forward to disclose their farming status on municipal land. To address the above, the municipality through the ward councilors and officials went out on consultation processes on both the registration and tariff charges for occupation on the commonage land and intend to further engage the farmers until the matter is resolved.

2.2.5. TRAFFIC LAW ENFORCEMENT, SAFETY AND SECURITY

2.2.5.1. REPORT ON TRAFFIC NOTICES ISSUED AND PAYMENTS RECEIVED – FINANCIAL YEAR 2013 - 2014

Overview

Mohokare local municipality is one of the few municipalities that have traffic division within it and through these division, inspection of the vehicles are done and reported including the enforcement towards un-roadworthy vehicles and irresponsible driving and drivers.

POINT OF DISCUSSION

Further thereto, law enforcement in many aspects, is one of the function the division is providing. The below tables reflect statistics or data of fines issued from the beginning of the financial year to December 2013.

NUMBER OF NOTICES ISSUED WITH MONEY VALUE

Month 2012	Zastron Issued	Amount Zastron	Rouxville Issued	Amount Rouxville	Smithfield Issued	Amount Smithfield	TOTAL
July	0	R0,00	3	R1, 300.00	16	R10, 350.00	R11, 650.00
August	6	R2,300.00	12	R4,950.00	2	R2,000.00	R9, 250.00
September	0	R0,00	57	R29,800.00	9	R4,800.00	R34, 600.00
October	0	R0,00	7	R3,900.00	12	R8,650.00	R12, 550.00
November	1	R500.00	1	R500.00	0	R0,00	R1, 000.00
December	0	R0,00	11	R4, 100.00	17	R17, 700.00	R21, 800.00
TOTAL							R90, 850.00

PAYMENTS FROM THE COURTS TO MUNICIPALITY

MONTH 2013	ROUXVILLE	SMITHFIELD	ZASTRON	TOTAL
July	0	R2,000.00	R1,700.00	R3,700.00
August	0	R4,500.00	R200.00	R4,700.00
September	R750.00	R750.00	R1,600.00	R3,100.00
October	R3,950.00	R5,250.00	R600.00	R15,650.00
November	R450.00	R10,350.00	R500.00	R11,300.00
December		0	0	0
TOTAL				R38,450.00

COMMENTS

The Municipal has recently adopted vehicles inspection routine in order to maintain its vehicle status on monthly basis and reports are received on both the vehicle and driver fitnesses

BACKGROUND

In most cases that the Municipality has attended and reported, households are normally caused by either negligence or the need to get warmer during winter season. Nothing has been reported to date regarding electrical or electricity power failure whereas veld fires are as a result of arson and the dry summer season (natural cause. e.g. lighting, hot sun etc...). The area or town that is prone to veld fires is Zastron and its surrounding areas and farms.

POINT OF DISCUSSION

- On the 6th and 9th /09/2013 the Municipality and the Municipality and Working on Fire Team based therein, managed to extinguish fire near Zastron Handling Facility and at the Mountain near Zastron Swimming pool.
- Household fire was reported in Smithfield and with assistance of Basil Read; the fire was extinguish without any bodily harm except the burnt furnisher and electricity box. Since there is an RDP House on the said stand, the Families were relocated therein and Old Granny was taken to the Hospital and treated for a shock and then brought back home immediately after medical assistance given
- Another fire started between Rouxville and Aliwal north. The smoke became so dense we had to close the road. High winds were raging and worsened the situation. Motorists from both sides of the road were warned but some of them from Aliwal north side ignored the SAPS and drove into the fire. It really took time for emergency services to assist them due to the dense smoke.

The situation within Mohokare worsened due to fires from Wepener affecting Zastron, Smithfield and the road to Sterkspruit road. On the same fire in Rouxville, a Farmer lost his life but as mentioned, the totality of damage is not yet known by time of this report.

- On 28-10-2013 another fire at Letsatsi Game Lodge main building was set alight by lightning. Been far away from the town of Smithfield, Mr. Friedrichs immediately contacted Mr. Swanepoel who is locally in charge of the firefighting of the farmers union and Mr. Swanepoel activated the neighboring farmers and 10 to 15 firefighting units were on the scene at the end but due to the magnitude of the fire nothing was saved and the building burnt to ashes.

Comments;

Though the municipality has limited resources in this field, assistance is being provided unto the affected family or a farmer on call out or report basis be it through working on fire team or the municipal team. What has recently transpired is that cases related to arson must be reported at the nearest South African Police Station and the Xhariep District Municipality and the municipality has heed to the call and will

continually abide thereto.

2.2.6 ENVIRONMENTAL HEALTH

This division falls within the competency of the Xhariep District Municipal offices situated in Trompsburg. Amongst all the work and projects done within this division, is the facilitation of all EPWP Projects, Inspection of food stalls, and the entire Environmental aspects ranging from the Initiation schools, landfills, and health awareness campaigns etc...

2.2.6.1 ENVIRONMENTAL MANAGEMENT

ACTIVITY	SMITHFIELD	ROUXVILLE	ZASTRON
LANDFILL MANAGEMENT	<ul style="list-style-type: none"> Smithfield Landfill remains non-compliant with the provisions of the National Environmental Management Waste Act. For the period in question, the Landfill Improvement Action Plan has not yielded on the overall objectives The landfill shall be equipped with EPWP Employees to improve landfill practice and the construction of a Landfill Site Guard House The Landfill Site will be continuously monitored to improve landfill management as per the approved plan for implementation for the 2013/2014 financial year 	<p>The Landfill Improvement Action Plan bears great fruit at the Rouxville Landfill Site.</p> <ul style="list-style-type: none"> The Construction of the Landfill Site Guard House has been approved and is in the final stages of completion There is currently one municipal employee assigned for landfill management There is a total of 20 EPWP: Working on Landfill Employees on site to clean and monitor landfill practices 	<p>A Compliance Notice Issued on the Municipality by the Free State Department of Economic Development, Tourism and Environmental Affairs for Non-Compliance with NEMA and NEMWA.</p> <ul style="list-style-type: none"> Recommendations of Contravention Notice was worked on and many implemented to the satisfaction of the Compliance Section of the Department Implementation of the Landfill Improvement Action Plan is to satisfaction Section and landfill practice has met some of the objective of the plan The National Department of Environmental Affairs is in the process of licensing the Matlakeng and Zastron Landfill sites. An introduction of the service provider

			<p>appointed by the Department will happen in January 2014</p> <ul style="list-style-type: none"> • The objectives of the EPWP: Working on Landfill is met and great improvement is visible • Serious Action is to be taken to address the non-conformance at the Matlakeng Landfill Site. Gross non-compliance is still the order of the day
ENVIRONMENTAL CAMPAIGNS	<p>July: The Environmental Section Celebrated World Environment Day during the month of July 2013. The theme for the 2013 World Environment Day was; Think, Eat Save. This day was commemorated with local food preparation establishments, local hospitals and schools. The office went out and educated the local community of theme, the purpose of World Environment Day and the importance of Reducing the Carbon Footprint.</p> <p>Sept: The Xhariep District Municipality Celebrated Arbor Day during the month of September 2013. The purpose of this day was to bring awareness on the importance of planting indigenous trees in and around the district. The event was celebrated in each local authority by its responsible Environmental Health Practitioner, in an effort to realize the purpose of the month and to ensure that all are knowledgeable on the importance of trees.</p>		
ENVIRONMENTAL PROGRAMMES	<p>The Environmental Section in consultation with the Community Services Directorate established an Environmental Improvement Plan for the 2013/2014 financial year. The plan seeks to implement programmes of action to meet the Municipal Objectives of its IDP. The Keep Mohokare Green and Safe is implemented by the EPWP Programme to address areas of concern such as Municipal Open Spaces, Landfill Management, Parks and Recreation and general Cleaning and Greening of the demarcated municipal area</p>		
ENVIRONMENTAL IMPACT ASSESSMENT	<p>Till date, no Environmental Impact Authorization(s) have been received by the office. All internal service delivery programmes implemented are done and verification of any Environmental Impacts is assessed by the office. All assessments which have been done; show no immediate or future significant impact on the environment.</p> <p>A Call for Interested and Affected Parties that have objections to the Licensing of the Matlakeng and Zastron Landfill sites has been posted at the Mohokare Municipal Offices. Till date, no objections, consultations have been received by both the consultant and the Environmental Office</p>		
FORUMS	<p>The Environmental Health Practitioner attends and represents the Municipality on the Free State Provincial Waste Management Officers' Forum. The forum discusses matters relating to waste management and ranges from campaigns,</p>		

	contravention notices, status quo on the development and implementation of the Integrated Waste Management Plan (IWMP). As per the Terms of Reference of this platform, the forum convenes once a quarter. Till date; both sessions of the forum have been successfully attended and the municipality represented.
AIR QUALITY MANAGEMENT	All Air Quality Management Activities is the responsibility of the Xhariep District Municipality as per legislative mandate of the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004). A Provisional Atmospheric Emissions License (PAEL) for the incineration of animal carcasses has been issued to the Goedemoed Correctional Service Centre. Word received from the XDM was that the license has been revoked in terms of the NEMAQA, for reasons pertaining to the fact that as licensing conditions of the PAEL was contravened by the licensee.
PLANNING	The Municipal Integrated Waste Management Plan of the Mohokare Local Municipality has been customized from the document prepared for the Xhariep District Municipality. A draft format of this plan is with the Free State DETEA and awaits approval for implementation.

2.2.7 OTHER

2.2.7.1 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

Overview

Within this item, the Municipality acknowledges the hands on support given by Provincial CoGTA through the specific agencies, Sector departments and Xhariep District Municipality as mentioned hereunder.

- CWP (Community Works Programme) under the auspice of Provincial CoGTA. 1000 (one thousand) contractual employees are employed until 2014.

Project	Allocation per project per Town			Employment opportunities	Project Status
	Smithfield	Rouxville	Zastron		
Home Based Care	50 (fifty)	50 (fifty)	50 (fifty)	150	The budget is regulated and reflects under the report of Provincial CoGTA
Skilled Workers	6 (six)	6 (six)	8 (eight)	20	
Food Gardens, Cleaning and Greening	250 (two hundred and ninety nine)	258 (two hundred and fifty two)	425 (four hundred and two)	933	
Total number of employment opportunities made				1183	

- EPWP (Extended Public Works Programme); Xhariep District Municipality

Project	Allocation per project per Town			Employment opportunities	Project Value	Project Status
	Smithfield	Rouxville	Zastron			
Cleaning and Greening	11 (eleven)	18 (eighteen)	16 (sixteen)	45 (forty five)	The budget is regulated and reflects under Xhariep District Municipality report	The project is ongoing
Total number of employment opportunities made				45 (forty five)		

- EPWP (Extended Public Works Programme); Manager: Mr. Sout

Project	Allocation per project per Town			Employment opportunities	Project Value	Project Status
	Smithfield	Rouxville	Zastron			
Working on Cemeteries	50 (fifty)	58 (fifty eight)	56 (fifty six)	164 (hundred and sixty four)	The budget is regulated and controlled by Mr. Sout who has contract with the department at Provincial level	Ongoing. People are still working
Total number of employment opportunities made				164 (hundred and sixty four)		

- EPWP (Provincial Department of CoGTA)

Project	Employment opportunities per Ward			Employment opportunities	Project Value	Project Status
	Ward 1	Ward 3	Ward 5			
MEC cleaning of informal settlements; Refengkhoto in Zastron	16	14	15	45 (forty five)	R8, 905.00	Project was for 16 (sixteen days) during November to December 2013 and has been completed and closed off
Total number of employment opportunities made				45 (forty five)	R8, 905.00	

- EPWP (Extended Public Works Programme) through department of Forests and Fishery

Overview

The municipality has partnered with the department of agriculture through its locally based offices and has since then, sought assistance regarding Municipal Commonages to minimally fence and eradicate invader plants.

POINT OF DISCUSSION

These projects are the initiatives of the land care committees in Smithfield and Zastron. Funds are been applied for by department of Agriculture at a local level, to the District and then to Provincial based on the demand on the ground.

Project	Employment opportunities per Town		Employment opportunities	Project Value	Project Status
	Smithfield	Zastron			
Cleaning and Greening	33	0	33	R300, 000.00	Project was has been completed and closed off
Eradication of invader plants	21	0	21	R 180, 000.00	Ongoing
	0	19	19	R160, 000.00	Ongoing
Working on Water	0	22	22	R170, 000.00	Ongoing
Fencing of the Commonage	6	0	6	±R 40, 000.00	Ongoing. fencing of 10 kilometers at Commonages
	0	6	6	R150, 000.00	Ongoing
Total number of employment opportunities made and the budget			107 (hundred and seven)	R 1 Million	

Comments;

On all extended public works programmes that falls outside the ambit of the Municipality, contracts and all other documentations are with respective service providers.

3 TOWN PLANNING DEPARTMENT

3.1 INTRODUCTION

The report intends to give a preview of work, projects and activities done since the start of financial year at July 2013 to December 2011 by the Town Planning division of the Mohokare Local Municipality.

3.2 PROJECTS SINCE JULY TO DECEMBER 2013

- i. Created a Layman's Building Control manual – approved by Council. Will be distributed at municipal offices as well as libraries to assist individuals in terms of building plan compliance
- ii. Motheo College: tried to assist in creating a Motheo campus in Zastron but Motheo is not interested.
- iii. Spatial Development Framework: final draft available to be put forward to Council.
- iv. SPISYS: intensive training in a GIS based system for assistance in practical maps and diagrams.
- v. SPLUMA: Intensive training in the new Spatial Planning and Land-use Management Act no 13 of 2013.
- vi. Registration as a professional town planner from SACPLAN, the governing body of town planning in South Africa. – Registration nr: A 1741/2013.
- vii. Mooifontein Business plan: outlay and description started with assistance of PULA, Casper Badenhorst.
- viii. S 2 Cemetery illegal portion to be dealt with. Subdivision of land to be done and surveyed.
- ix. Illegal occupation of municipal land. Description of land done in terms of Adv. Zietsman, municipal legal representative for legal action to be taken.

3.3 BUILDING PLANS REPORT

Plans received July –Dec. 2013

BUILDING/EXTENSION	APPROVED	NOT APPROVED
9	2	7

Problems relating to building plans

ERF NR	TOWN	PROBLEM	ACTION TAKEN
3 Gustavus Street	Zastron	Non -compliance to specifications	Owner informed in writing with attached list of problems
R/172	Zastron	Non -compliance to specifications	Owner informed in writing with attached list of problems
1/239	Zastron	Non -compliance to specifications	Owner informed in writing with attached list of problems
359	Zastron	Non -compliance to specifications	Owner informed in writing with attached list of problems
619	Somidopark, Smithfield	Non -compliance to specifications	Owner informed in writing with attached list of problems
787	Somidopark, Smithfield	Non -compliance to specifications	Owner informed in writing with attached list of problems
869	Smithfield	Non -compliance to specifications	Owner informed in writing with attached list of problems

3.4 ZONING AND REZONING, CONSOLIDATION, SUBDIVISION AND ENCROACHMENT QUERIES and CONSENT USE

ERF NR.	TOWN	OWNER	REQUEST/QUERY FOR:	ACTION TAKEN
23/513	Zastron	N.J. Prinsloo	Subdivision	Council gave conditional approval. Needs a Infrastructure report
395	Zastron	L. Luputhing	Subdivision	Report to Council. approved
42	Zastron	R. Van Tonder	Rezoning	In Process – Report To Management
Erven 254 And 255	Mofulatshepe		Encroachment	Private Surveyors Assisted. Individuals Still Unhappy
Erven 11 And 12	Rietpoort	NG Church	Encroachment	Mr. Sefaku dealt with the problem.
95	Roleleathunya	Allocated As Per List	Encroachment	Too small to build RDP House – cannot grant permission for encroachment.
712, Ext 4	Zastron	B. Moletsane	Consent Use	Granted by Council
233	Zastron	Christian Pre School	Consent Use	In process. Cogta foresee no problem. Need to take to Council
16 Morgan Street	Rouxville	D. Pretorius	Consent Use	In process. Cogta foresees no problem. Need to take to Council

3.5 ZONING CERTIFICATES ISSUED

3 issued

3.6 REQUESTS FOR LIQUOR LICENSES

ERF NR.	TOWN	OWNER	REQUEST FOR:	ACTION TAKEN
619 Somidopark,	Smithfield	P. Seleke	Liquor License License	Application withdrew due to non-compliance of building

3.7 DEED SEARCHES DONE

- i. All parks in the Mohokare Local Municipal areas
- ii. 4 farming areas as part of municipal properties: Groenhoek 243; Langerand 296; Leewpoort 110; Langesnek 244
- iii. Erven 54 and 55 Roleleathunya: African the First Apostolic Church in Africa wants to consolidate the two erven
- iv. Erf 129 Rouxville – needed confirmation of ownership

3.8 GENERAL QUERIES RECEIVED AND ATTENDED TO:

161 received July 2013 to Dec 2013 – as per monthly reports as well as the outcomes thereof

4. CORPORATE SERVICES

4.1 Human Resource Management

a) Employment Equity

In terms of complying with Employment Equity, the municipality has made significant strides in ensuring representation at the different levels within the organization, and we have managed to compile an Employment Equity Plan during the 2010/2011 financial year. The table below shows the employment equity statistics for the municipality as at July- December 2013.

Table 1.1: Employment Equity Statistics

- % of staff employed in the highest levels of management that are black (African, Indian and coloured) (4) = 100%
- % of staff employed in the highest levels of management that are women (1) = 25%
- % of staff employed in different categories and levels that are people with disabilities (3) break down below:

Levels	Percentage
Skilled and Junior management (2)	2.86%
Unskilled (1)	0.78%

% of staff employed in different categories and levels that are black people (African, Coloured and Indian)

Levels	African	Coloured
Senior Management	72,73%	0
Professionally skilled and technicians	100%	0
Skilled and junior management	88,57%	2,86%
Semi-skilled	89,53%	10,47%
Unskilled	98,43%	1,57%

The Municipality has gone through great strides to fill section (56) management positions. The following positions have been filled: - Municipal Manager, Chief Financial Officer, Director Technical Services, and Director Corporate Services. The position of Director Corporate Services is occupied by a female. The post of Director Community Services was filled by Mr Danie Marais, who was seconded from the Cogta.

b) Learnership and Internships

3 Learners were elected from Operation Hlasela in plight of job creation within a pool of unemployed graduates from the Municipal Communities. The programme commenced in December 2011 and was to run until 31st May 2013. It was subsequently extended to February 2014.

1 learner was appointed full time as a municipal official in the 2012/13 financial year. The remaining 2 learners were appointed full time municipal officials during the 2013/14 mid-year period.

During the beginning of the financial year, the municipality had 4 interns instead of 5 as per Treasury guidelines. By the end of the Mid-year period, 1 intern was dismissed, 1 was appointed a full time employee, and 3 interns remain.

c) Skills Development

The following training was conducted for 11 employees during the first six months of the financial year and more employees still to be trained:

NAME OF THE LEARNER	ID NO.	TRAINING INTERVENTION	DATE ENTERED	DATE COMPLETED	SERVICE PROVIDER	AMOUNT SPEND
P. Dyonase	7512295527086	MFMP	15/01/2013	Catch-up classes	Continuing Education university of Pretoria	R 64 000.00
M.V. Ramotsabi	8007280303089	PDPM	18/02/2013	Still attending	Regenesys	R 45 000.00
S.S Harvey	8107170700087	LGAAC	03/11/2013	Catch-up classes	University of North	Lgseta
R.O. Monyane	8604170323084	Record Management	23/07/2013	26/07/2013	Archives	R 700. 00
T.D. Fobane	8401265543084	VIP (Mid-Year PAYE submission)	19/08/2013	19/08/2013	VIP Payroll &HR	R 1 476. 30
L.J. Yeko	7803155363088	VIP (Premier basic training)	11/09/2013	12/09/2013	VIP Payroll & HR	R 4 503. 00
M.P Lekwene	8205110710081	Record Management	28/10/2013	30/10/2013	Archives	R 700 .00
N. Matsasa	7210100581089	Record Management	28/10/2013	30/10/2013	Archives	R 700. 00
B. Seerie	7209235614088	SDBIP: Performance & Management	19/11/2013	19/11/2013	IMFO	R 2 880. 00
L.Thuhlo	8407100793081	SDBIP: Performance & Management	19/11/2013	19/11/2013	IMFO	R 2 880. 00
M.M. JamJam	6111090601089	Events management	20/11/2013	22/11/2013	Continuing Education university of Pretoria	R 5 400. 00

d) Personnel turnover

Mohokare Local Municipality has for the mid –year period spent a total amount of R 23 862 911. 60 on employee related costs excluding all councilors; this amount was distributed across 301 employees.

The table below outlines how the employee costs were spent over the 2013/14 mid-year period under review:

Months	Number of employees	Employee related costs	REASONS FOR VARIANCE
July	302	R 3 846 193.80	1. Death (1)
August	301	R 3 915 946.84	
September	301	R 3 857 440.97	1. Appointment (1) 2. Resignations (2)
October	300	R 3 872 080.59	
November	300	R 4 077 331.50	1. Appointment (2) 2. Death (1)
December	301	R 4 293 917.90	
TOTAL	301	R 23 862 911.60	

e) Staff Establishment

A municipal manager within a policy framework determined by the municipal council and subject to any applicable legislation must approve staff establishment for the municipality.

During the mid- year period, the municipality permanently placed employees who were appointed on as interns and also appointed new employees in vacant positions as tabled below;

STATUS AS AT 31 DECEMBER 2013	NUMBER OF EMPLOYEES PERMANENTLY PLACED & POSITION TITLES
APPOINTMENTS	• Chief Audit Executive – Internal Audit Manager
	• PMU Manager
	• PMU Technician
	• Receptionist – Technical
	• Meter Reader – Zastron
	• Operators – Zastron (2) & Rouxville (1)
	• Sanitation Supervisor – Zastron
	• Amenities Supervisor – Zastron
	• Payroll Officer
PLACEMENTS	NONE

f) Leave

i) Annual Leave

All employees, irrespective of status or remuneration are entitled to annual leave of at least 21 consecutive days per annual leave cycle of 12 months, commencing on employment or at the end of the previous leave cycle. It is the policy of the municipality that authorization must be obtained prior to taking such leave. The total number of annual leave days taken is 2312

Month	Department	Days
July	Corporate	28
	Finance	32
	Technical	271
	Community	56
	Office of the MM	0
	Total	357
August	Corporate	85
	Finance	47
	Technical	295
	Community	61
	Office of the MM	0
	Total	488
September	Corporate	43
	Finance	52
	Technical	156
	Community	51
	Office of the MM	13
	Total	315
October	Corporate	33
	Finance	19
	Technical	169
	Community	103
	Office of the MM	8

Total		332
November	Corporate	11
	Finance	11
	Technical	194
	Community	32
	Office of the MM	10
Total		258
December	Corporate	45
	Finance	52
	Technical	248
	Community	209
	Office of the MM	8
Total		562
GRAND TOTAL		2312

ii) Sick Leave

Employees are entitled to paid sick leave if they are absent for more than two days, or for more than one day if more than two absences occurred in a space of eight weeks, only if they produce a medical certificate issued by a medical practitioner or a person certified to diagnose and treat patients and who is registered with some statutory body. The right to sick leave accrues only when the employee cannot work because of incapacity, which means inability to work owing to sickness or injury. The total number of sick leave days taken is 857.

Sick leave for the period under review is outlined in the table below;

Month	Department	Days
July	Corporate	10
	Finance	14
	Technical	117
	Community	0
	Office of the MM	13
Total		154
August	Corporate	15
	Finance	28

	Technical	244
	Community	0
	Office of the MM	7
Total		294
September	Corporate	18
	Finance	9
	Technical	57
	Community	40
	Office of the MM	0
Total		124
October	Corporate	1
	Finance	8
	Technical	61
	Community	50
	Office of the MM	0
Total		120
November	Corporate	4
	Finance	9
	Technical	62
	Community	42
	Office of the MM	4
Total		121
December	Corporate	0
	Finance	2
	Technical	26
	Community	16
	Office of the MM	0
Total		44
TOTAL		857

Most of this total amount was not budgeted for, which has to be corrected in the budget adjustment.

iii) Other Types of Leave (Family Responsibility, Study, Maternity, etc)

Total number of leave days taken in the 6 months period is 50

Month	Department	Days
July	Corporate	0
	Finance	0
	Technical	2
	Community	0
	Office of the MM	5
Total		7
August	Corporate	4
	Finance	0
	Technical	7
	Community	0
	Office of the MM	1
Total		12
September	Corporate	5
	Finance	0
	Technical	7
	Community	0
	Office of the MM	0
Total		12
October	Corporate	0
	Finance	0
	Technical	5
	Community	0
	Office of the MM	0
Total		5
November	Corporate	3
	Finance	2

	Technical	6
	Community	8
	Office of the MM	0
Total		19
December	Corporate	0
	Finance	0
	Technical	0
	Community	0
	Office of the MM	0
Total		0
TOTAL		50

g) Overtime / Standby

The rate of overtime is one and a half times the normal wage (i.e. money payable not his whole package), unless the employee is subsequently granted 30 minutes off on full pay for each hour of overtime worked at normal rates, or 90 minutes off if the overtime was not paid at all. Time in lieu of pay for overtime must be taken within a month of the time worked, unless the employee agrees in writing to a longer period of up to 12 months.

As a general rule employers may not compel their employees to perform non-contractual voluntary overtime work. Nor are employees obliged to work overtime for periods exceeding those prescribed in the BCEA or a collective agreement.

Overtime may not exceed ten (10) hours in any week and three (3) hours in any day of the week. Currently situation is that employees are committed in executing overtime for a long period without prior approval of the Accounting Officer and proper commitment of the budget.

Overtime and Standby is the operation of the whole year (365 days) and reports justifying such financial commitment and utilization of staff are not present.

Records of employees executing overtime and standby for the period under review:

ASSIGNMENT	NUMBER OF EMPLOYEES PER MONTH						TOTAL
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
OVERTIME (DAYS)	210	222	256	239	143	178	1248
COSTS IMPLICATIONS	R 137 631.51	R 136 667.89	R 153 670.67	R 152 956.00	R 141 903.08	R 139 212.06	R 862 041.21

The confirmation of municipal funds that are directed to the above mentioned assignments is critical because as indications might be, the amounts that have probably been paid out have exceeded the budgeted amounts; and this must also be corrected through the adjustment budget.

4.2 Workplace Labour Relations

Employers have a right, to maintain discipline in the workplace. This right is recognized in the LRA, which contains a Code of Good Practice: Dismissal setting out broad guidelines on dismissal for misconduct, incapacity and poor work performance, but which is relevant also to the maintenance of discipline.

The function of discipline in the employment context is to ensure that individual employees contribute effectively and efficiently to the goals of the common enterprise. Production and the provision of services will clearly be impeded if employees are free to stay away from work when they please, to work at their own pace, to fight with their fellow employees, or to disobey their employers instructions. Hence it is the right and duty of employers to ensure that their employees adhere to reasonable standards of efficiency and conduct.

The table below outlines all cases during the period under review;

JULY

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Finance	Gross insubordination, dereliction of duty and swearing at a colleague	Dismissal	Zastron
Technical Services	Absenteeism / unauthorised leave	Unpaid leave	Zastron
Technical Services	Misuse of municipal vehicle	Written warning	Zastron
Technical Services	Abscondment / absenteeism	Pending: awaiting doctors report	Zastron
TOTAL	04 CASES		

AUGUST

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Technical Services	Abscondment / absenteeism	Withdrawn, medical certificates were provided	Zastron
TOTAL	01 CASE		

SEPTEMBER

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Community Services	Fraud	Pending: awaiting sitting date from SALGBCO	Zastron
Finance Department	Dispute declared in terms of sec 10 of EEA(Discrimination)	Pending: awaiting the outcome of the CCMA	Zastron
Community Services	Failure to obey lawful instruction and Dissertation of workplace	First written warning	Rouxville
Community Services	Failure to obey lawful instructions	Employee not found guilty	Rouxville
TOTAL	04 CASES		

OCTOBER

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Community Services	Fraud	Pending: awaiting sitting date from SALGBCO	Zastron
Finance Department	Disputed declared in terms of sec 10 of EEA (discrimination)	Pending: CCMA informed the complainant to refer the matter to the labour court	Zastron
TOTAL	2 CASES		

NOVEMBER

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Community Services	Negligence	Pending: hearing scheduled for 06/12/13	Zastron
Technical Services	Absenteeism / failure to report sick leave in terms of HR policy	Pending: hearing scheduled for 04/12/13	
TOTAL	02 CASES		

DECEMBER

DEPARTMENT	CHARGE/ MATTER	OUTCOME/ VERDICT	LOCATION
Community Services	Negligence	Pending: Awaiting outcome from the presiding officer	Zastron
Technical Services	Absenteeism / failure to report sick leave in terms of HR policy	Pending: awaiting the outcome from the presiding officer	Zastron
Community Services	Allegation of theft of municipal livestock.	Pending: the matter is under investigation	Zastron
TOTAL 0 3 CASES			

- **Incapacity due to Ill health**

Incapacity arising from ill-health or injury is recognized as a legitimate reason for terminating the employment relationship, provided, as always, it is/ done fairly.

The LRA Code (item 11) enjoins all persons including arbitrators and the court to consider number of factors when determining if a dismissal arising from ill-health or injury is fair.

No incapacity due to ill – health incidents occurred.

4.3 LEGAL SERVICES

A municipality may compromise or compound any action, claim or proceedings, and may submit to arbitration any matter other than a matter involving a decision on its status, powers or duties or the validity of its actions or by-laws

- Criminal cases

Number of criminal cases faced by the municipality and status - 0

- Civil cases

Number of civil cases faced by the municipality and status - 0

5 Financial Health Overview

1. Introduction
2. Overview of financial performance
 - 2.1 Operating income
 - 2.2 Operating Expenditure
 - 2.3 Personnel Expenses
 - 2.4 Debtors Age analysis
 - 2.5 Government Grants
3. General corrective measures

5.1 Introduction

Legislative requirement in terms of MFMA section 72 and 54.

In terms of section: 72(1), (2) and (3) of the Municipal Finance Management Act 56 of 2003, (MFMA), the budget and performance assessment report for the period ending 31 December 2013 *must be compiled and tabled to council as per legislated time-frames.*

5.2 Overview of Financial Performance

The municipality's bank account opened with a positive balance of R 55 885.22 on 01 July 2013 and closed with a positive balance R4 989 874.45 on 31 December 2013. The cashbook opened with a positive balance of R 55 885.22 on 01 July 2013 and closed with a positive balance of R1 829 618.79 on 31 December 2013.

The following table summarises the overall position on the capital and operating budgets in relation to the municipality's SDBIP. The SDBIP is a detailed plan approved by the Mayor in terms of section 53(1) (c) (ii) of the MFMA for implementing the budget and which must indicate:

- a) Projections for each month of:
 - i. Revenue to be collected, by source; and
 - ii. Operational and capital expenditure by vote;
- b) Service delivery targets and performance indicators for each quarter; and
- c) Any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(i)(c);

TABLE 1: OVERALL POSITION OF CAPITAL AND OPERATING BUDGETS

Table 1 :Overall Position of Capital and Operating Budgets			
	Capital Expenditure	Operating Income	Operating Expenditure
Annual Budget To Date	R 50,819,640	R 119,957,050	R 133,391,000
Plan to Date	R 25,409,820	R 59,978,525	R 66,695,500
Actual (31 December 2013)	R 16,285,623	R 63,091,689	R 42,311,801
Variance to SDBIP	R 9,124,197	R (3,113,164)	R 24,383,699
Under/ (Over) perform	36%	-5%	37%

***The municipality's Capital Budget includes the R 7 million of the MIG roll-over which is already being deducted from the Equitable Share. The municipality intends to submit an adjustment budget affecting this and other adjustments.*

TABLE1 above shows that the municipality's Capital Expenditure is underperforming by 36%, this mainly because the municipality hasn't spent on Municipal Water Infrastructure Grant (MWIG) and the municipality's Municipal Infrastructure Grant (MIG) has only spent 47% of what it has received. Also the municipality is over-performing on its Operating Income by 5%. The main reason for this is that the planned revenue from water was budgeted to be around R 4,3 million in the SDBIP but stands at R 16.3 million at this time. The municipality has spent 37% less of its operating budget as planned at this time.

2.1. Operating Income

The following table displays the operating income per revenue source from 01 July - 31 December 2013 (comparing revenue budget against revenue actually billed)

TABLE 2.1: REVENUE BY SOURCE

Revenue Source	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Actual vs Budget Year to Date	% Variance
Property Rates	R 9,268,810	R 4,634,405	R 6,228,070.00	R -1,593,665	-34%
Electricity	R 20,000,000	R 10,000,000	R -	R 10,000,000	100%
Water	R 8,521,670	R 4,260,835	R 16,306,291.00	R -12,045,456	-283%
Sanitation	R 6,796,120	R 3,398,060	R 4,174,979.00	R -776,919	-23%
Refuse Removal	R 4,248,090	R 2,124,045	R 2,801,794.00	R -677,749	-32%
Traffic Fines	R 3,000,000	R 1,500,000	R 29,640.00	R 1,470,360	98%
Sundry Income Total	R 6,514,360	R 3,257,180	R 320,741.00	R 2,936,439	90%
Total	R 58,349,050	R 29,174,525	R 29,861,515		

The main reasons for the significant variances are:

1. Water – The actual amount as disclosed do not agree to consolidated billing. There are credit journals that must still be passed amounting to approximately R 12mil, so correct amount billed for water amounts to R 4mil. Management is currently investigating the reason for the accounting system not being updated correctly.
2. Electricity – Electricity's billing is done at Centlec, therefore the billed amount will be shown in our financial system as soon as the consolidated amounts are updated in the system.
3. Property Rates – The total Property rates for the entire financial year is billed at the beginning of the financial year, hence the actual year to date billed is greater than budget year to date by 34%.
4. Other Services Charges – Sanitation and Refuse Removal were slightly under budgeted for by 23% and 32% respectively.
5. Traffic Fines – The amount budgeted was based on a planned expansion of the traffic department for the 2013/14 financial period. The expansion only incurred from December 2013. Still the traffic fines were over-budgeted for.
6. Sundry Income – The budgeted figure includes expected cash flow incomes such as VAT receivable and a possible loan. VAT's accounting treatment is to account for it against the VAT receivable and not to Revenue and a loan is accounted for as a liability. Therefore the large difference between the Sundry Income budgeted for and the actual Revenue accounted for.

The following table displays the operating income per revenue source from 01 July - 31 December 2013 (comparing revenue actually billed against revenue actually received)

TABLE 2.2: REVENUE BY SOURCE

Revenue Source	Annual Budget	Budget Year to Date	Actual Year to Date (Actual Billed)	Actual Year to Date (Actual Received)	Actual Billed vs Actual Received	% Collection Rate
Property Rates	R 9 268 810	R 4 634 405	R 6 228 070.00	R 2 769 035	R 3 459 035	44%
Electricity	R 20 000 000	R 10 000 000	R -	R -	R -	0%
Water	R 8 521 670	R 4 260 835	R 16 306 291.00	R 681 730	R 15 624 561	4%
Sanitation	R 6 796 120	R 3 398 060	R 4 174 979.00	R 817 441	R 3 357 538	20%
Refuse Removal	R 4 248 090	R 2 124 045	R 2 801 794.00	R 480 238	R 2 321 556	17%
Total	R 48 834 690	R 24 417 345	R 29 511 134	R 4 748 444		

Apart from Electricity, all other income was over-budgeted. The main reasons for the significant variances are:

1. Water – As explained in the table above, billing for water is not correct as there are credit journals amounting to approximately R 12million that must still be passed in consolidated billing system. Therefore the correct amount billed for water must be standing at R 4 306 291, which will make collection rate for water be 16%. Difficulties were experienced in the delivery of water to the community. Infrastructure failures (Pipe bursts) were the main reason for the Municipality not being able to deliver water. For this reason there was a large decrease in water revenue.
2. Electricity – Centlec's consolidated amounts were not yet updated in the accounting system therefore electricity revenue shows an actual amount of R nil.
3. Other services – Property Rates, Sanitation and Refuse Removal are under collected mainly because there's a problem with debt collection. A lot of debtors have been handed over for collection to attorneys.

2.2 Operating Expenditure

The following table shows the actual expenditure for each department against the budgeted expenditure for the first six months of the 2013/14 financial year.

TABLE 3: OPERATING EXPENDITURE PER DEPARTMENT

Department	Annual Budget	Budget Year to Date	Actual Year to Date	Variance - Actual vs. Budget Year to Date	Variance
Council	R 8,047,410.00	R 4,023,705.00	R 3,564,378.00	R 459,327.00	11%
Municipal Manager	R 3,585,060.00	R 1,792,530.00	R 1,710,934.00	R 81,596.00	5%
Dept. Corporate Services	R 10,016,060.00	R 5,008,030.00	R 5,677,572.00	R -669,542.00	-13%
Dept. Financial Services	R 19,157,360.00	R 9,578,680.00	R 10,603,920.00	R -1,025,240.00	-11%
Dept. Community Services	R 11,393,540.00	R 5,696,770.00	R 4,417,454.00	R 1,279,316.00	22%
Dept. Technical Services	R 81,191,570.00	R 40,595,785.00	R 16,337,543.00	R 24,258,242.00	60%
Total	R 133,391,000.00	R 66,695,500.00	R 42,311,801.00	R 24,383,699.00	36.56%

From the above table it can be seen that the Operating Expenditure of the municipality is underperforming at 36.56%. This is mainly because there is under spending under both Community Services (22%) and the Technical Services (60%). The under spending is as a result of the following votes:

Technical Services

- ✓ Depreciation amounting to R 10,406,208 hasn't been spent 100%

Depreciation for the current financial year hasn't been calculated because the Fixed Assets Register is not yet updated.

- ✓ Debt Impairment amounting to R 2,010,828 hasn't been spent 100%

Debt Impairment is calculated once in a year, currently debtors are taken to attorneys and when feedback is received from attorneys, decision will be taken on impairment and write-offs.

- ✓ Fuel & Oil amounting to R 564,906 hasn't been spent 100%

Expenditure under Fuel and Oil is mainly allocated under Finance that is Technical Services' votes don't show any expenditure.

Also under the division of Electricity there's underperformance of expenditure because a lot of expenditure incurred at Centlec, and the transactions will only be passed through our ledger at the end of the financial year.

Community Services

- ✓ An amount of R 230,802 was budgeted for Repairs and Maintenance but no expenditure has been incurred to date.
- ✓ An amount of R 406,518 was budgeted for the Director of Community Services, but the Director hasn't been appointed yet.

2.3. Personnel Expenditure

In terms of Section 66 of the MFMA, all expenditure that the municipality incurred on staff salaries, wages, allowances and benefits must be reported to the Council.

The following table shows actual expenditure per department on staff salaries, allowances and other benefits.

TABLE 4: PERSONNEL EXPENDITURE PER DEPARTMENT

Department	Annual Budget	Budget Year to Date	Actual Year to Date	Variance - Actual vs. Budget Year to Date	Variance
Council	R 5 642 420	R 2 821 210	R 2 713 051	R 108 159	4%
Municipal Manager	R 2 889 540	R 1 444 770	R 1 473 366	R -28 596	-2%
Dept. Corporate Services	R 6 275 630	R 3 137 815	R 2 912 276	R 225 539	7%
Dept. Financial Services	R 7 212 590	R 3 606 295	R 2 609 965	R 996 330	28%
Dept. Community Services	R 10 570 840	R 5 285 420	R 4 126 390	R 1 159 030	22%
Dept. Technical Services	R 19 387 840	R 9 693 920	R 10 984 689	R -1 290 769	-13%
Total	R 51 978 860	R 25 989 430	R 24 819 737	R 1 169 693	5%

There is an under spending of R 1, 2 million as can be seen on TABLE4. This is because of under spending in the following votes:

FINANCIAL SERVICES

There is an under spending of R 996,330 in this vote due to the fact that the previous Chief Financial Officer resigned at the beginning of the financial year, and a new Chief Financial Officer was appointed at the beginning of the sixth month of the financial year. Due to this reason the Chief Financial Officer's allocation wasn't spend for the first five months of the financial year.

COMMUNITY SERVICES

Different votes under community services under spent their salary budgets to date as follows:

- Allowance – Other vote is not spent 100%
- Director Community Service's allocation is not spent 100% because the director hasn't been appointed yet.

The other main reason that makes inconsistency in the allocation of personnel expenditure is due to the fact that employees are not classified correctly on payroll as per organogram leading to wrong allocation on budget.

2.4. Debtors Age Analysis

TABLE 5: DEBTORS AGE ANALYSIS

Revenue Source	0 - 30 Days	31 -60 Days	61 - 90 Days	91 - 120 Days	More than 120 Days	Total
Property Rates	R 438 966.00	R 371 687.00	R 358 225.00	R 366 099.00	R 5 913 947.00	R 7 448 924.00
Water	R 3 257 690.00	R 1 388 124.00	R 4 731 014.00	R 2 347 450.00	R 30 833 050.00	R 42 557 328.00
Electricity	R 28.00	R 27.00	R 27.00	R 28.00	R 151 199.00	R 151 309.00
Sanitation	R 633 181.00	R 589 925.00	R 581 436.00	R 435 580.00	R 16 856 888.00	R 19 097 010.00
Refuse	R 440 242.00	R 419 916.00	R 416 786.00	R 302 782.00	R 12 727 923.00	R 14 307 649.00
Other	R 153 420.00	R 142 209.00	R 142 221.00	R 90 455.00	R 18 466 746.00	R 18 995 051.00
Balance as at 31 December 201	R 4 923 527.00	R 2 911 888.00	R 6 229 709.00	R 3 542 394.00	R 84 949 753.00	R 102 557 271.00

It is a known fact that there is a high unemployment rate within the jurisdiction of Mohokare Local Municipality. For this reason, the debtors remain outstanding for long periods hence debtors over 120 days account are over 80% of the debtor's book as can be seen in TABLE 5.

2.5. Government Grants

TABLE 6: GOVERNMENT GRANTS

Budget	Roll Over	Amount Received	Expenditure to Date	Amount Available	Under/Over Performance
R 44 873 000	R (7 000 000)	R 31 160 000	R 31 160 000		0%
R 17 887 000		R 15 772 000	R 7 405 979	R 8 366 021	-53%
R 890 000		R 890 000	R 550 000	R 340 000	-38%
R 1 650 000		R 1 650 000	R 1 018 650	R 631 350	-38%
R 1 000 000.00		R 500 000.00	-	R 500 000	-100%
R 23 000 000.00		R 14 957 108.29	R 14 957 108.29	-	0%
R 1 000 000.00		R 700 000.00	R 944 793.00	R (244 793)	35%
90 300 000.00	(7 000 000.00)	65 629 108.29	56 036 530.29	9 592 578.00	-15%

In TABLE 4 above, it was agreed with National Treasury that MIG's rollover of R 7 million will be deducted from current financial year's Equitable Share. And the balance of R 5, 5 million will be deducted from the coming financial year's Equitable Share.

3. CORRECTIVE MEASURES

3.1 General corrective measures

- Capital projects and expenditure needs to be prioritized
- We need to identify risk areas where possible additional costs may be incurred
- Needs of the community needs to be identified for service delivery which could lead to additional capital costs.
- We need better planning of budgeting for the capital and operational expenditure of the municipality, and to limit wastages and identify unforeseen expenditure.
- Revenue Collection needs to be prioritised.

3.2 Adjustment budget

A number of variances noted in this report are due to challenges regarding the municipality's budgeting and operations. The municipality intends to submit an adjustment budget as per MFMA regulations to correct most of the variances noted above.